

ASSEMBLY BILL

No. 1983

Introduced by Assembly Member Gray

February 19, 2014

An act to add Chapter 2.4 (commencing with Section 1954.12) to Title 5 of Part 4 of Division 3 of the Civil Code, relating to residential units.

LEGISLATIVE COUNSEL'S DIGEST

AB 1983, as introduced, Gray. Water meters: multiunit structures.

The Water Measurement Law requires every water purveyor to require, as a condition of new water service on and after January 1, 1992, the installation of a water meter to measure water service. That law also requires urban water suppliers to install water meters on specified service connections, and to charge water users based on the actual volume of deliveries as measured by those water meters in accordance with a certain timetable.

Existing law generally regulates the hiring of dwelling units, and among other things, imposes certain requirements on landlords and tenants. Among these requirements, existing law requires landlords to provide tenants with certain notices or disclosures pertaining to, among other things, pest control and gas meters. On or before January 1, 2019, existing law requires all noncompliant plumbing fixtures in any multifamily residential real property, as defined, to be replaced with water-conserving plumbing fixtures.

This bill would authorize the owner or operator of a building containing residential units to install equipment to determine or use an economic allocation methodology to approximate the quantity of water that is provided to the tenants and used in the common areas of that

building. The bill would also authorize the owner or operator of a building to charge tenants separately for water and wastewater service based on usage as determined through the use of that equipment or allocation methodology if certain requirements are met, including that the owner or operator disclose certain information to the tenants as part of any contractual leasing agreement.

The bill would require all new multiunit residential buildings permitted on or after January 1, 2015, to be constructed in a manner to permit measurement by a county, municipal, or other public water system or the owner or operator of water use by each unit and to have installed separate submeters for each unit. The bill would require an owner or operator of a building subject to that construction requirement to seek reimbursement for water usage by the units based on a specified economic allocation methodology.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Chapter 2.4 (commencing with Section 1954.12)
2 is added to Title 5 of Part 4 of Division 3 of the Civil Code, to
3 read:

4
5 CHAPTER 2.4. TENANT WATER USAGE
6

7 1954.12. (a) Except as otherwise provided in subdivision (c),
8 the owner or operator of a building containing residential units
9 may install equipment to determine or use an economic allocation
10 methodology to approximate the quantity of water that is provided
11 to the tenants and used in the common areas of that building, and
12 the owner of that building may charge tenants separately for water
13 and wastewater service based on usage as determined through the
14 use of such equipment or allocation methodology.

15 (b) (1) Except as otherwise provided in subdivision (c), the
16 owner or operator of a building containing residential units may
17 charge tenants separately for water and wastewater service,
18 provided that the total amount of the charges to the tenants for
19 water and wastewater service shall not exceed the total charges
20 and fees paid by the owner or operator to the utility company or
21 municipality providing the water and wastewater service plus

1 actual fees paid to a third-party billing service provider for
2 establishing, servicing, processing payments, and billing such
3 tenants.

4 (2) The third-party service provider fees and the submetering
5 methodology or economic allocation methodology shall be
6 disclosed to the tenants as part of any contractual leasing
7 agreement.

8 (c) All new multiunit residential buildings permitted on or after
9 January 1, 2015, shall be constructed in a manner that will permit
10 the measurement by a county, municipal, or other public water
11 system or by the owner or operator of water use by each unit and
12 separate submeters shall be installed for each individual leased,
13 rented, or other tenant space within each multifamily residential
14 building.

15 (1) This subdivision shall not apply to any building constructed
16 or permitted prior to January 1, 2015, which is thereafter: (A)
17 renovated or (B) following a casualty or condemnation, renovated
18 or rebuilt.

19 (2) Subdivision (c) shall not apply to any construction of a
20 building, the permit for which was granted prior to January 1,
21 2015.

22 (d) (1) The owner or operator of a building subject to
23 subdivision (c) shall seek reimbursement for water and wastewater
24 usage by the units through an economic allocation methodology
25 which is based on the measured quantity of water used by each
26 unit.

27 (2) The owner or operator of that building which includes
28 common areas for the benefit of the units may also seek
29 reimbursement for common area water and wastewater use through
30 an economic allocation which approximates the portion of the
31 common area water and wastewater services allocable to each unit.

32 (3) (A) The total amount of charges to the units under
33 paragraphs (1) and (2) for water and wastewater shall not exceed
34 the total charges and fees paid by the owner or operator to the
35 utility company or municipality providing the water and wastewater
36 service for the multiunit residential building, plus actual fees paid
37 to a third-party billing service provider for establishing, servicing,
38 processing payments, and billing tenants.

1 (B) The third-party service provider fees and the economic
2 allocation methodology shall be disclosed to the tenants as part of
3 any contractual leasing agreement.

4 (4) If a tenant notifies the owner or operator of a building subject
5 to this subdivision, or the owner or operator otherwise becomes
6 aware, of a condition that indicates a submeter reading indicating
7 abnormally high water usage of more than 150 percent of that
8 unit's volumetric usage of the last three months, the owner or
9 operator of the building shall investigate, and if warranted, rectify
10 the condition within 60 days and shall not charge the tenant more
11 than 80 percent billed for volumetric usage of the last three months
12 for which complete billing information is available. The owner or
13 operator shall disclose the adjustment on the bill.

14 (5) If a monthly submeter reading necessary to measure
15 volumetric usage is unavailable for any reason, the owner or
16 operator of a building subject to this subdivision may bill the tenant
17 80 percent of the average amount billed for volumetric usage for
18 the last three months for which complete billing information is
19 available, and may estimate for a period of up to three months
20 while the submeter is being repaired. The landlord shall disclose
21 the adjustment on the bill. If, after the three-month repair period,
22 the submeter has not been repaired, the owner or operator of the
23 building shall not bill the tenant until such repair is completed.

24 (e) Notwithstanding anything to the contrary in subdivision (b)
25 or (d), the water and wastewater charges for the last billing period
26 of a tenant's occupancy in a unit may be estimated by calculating
27 the average of at least three months of charges for the water and
28 wastewater allocated to the unit, and then prorating the average
29 by dividing that average by the number of days in the billing
30 period, and then multiplying that per diem charge by the number
31 of days the tenant had possession of that unit since the last billing
32 period ended, provided, that where available the owner or operator
33 of the building shall use the actual submeter reading for the last
34 month's billing period.

35 (f) A county, municipal, or other public water system shall be
36 prohibited from charging any fee or levy for the installation or use
37 of privately owned meters or other devices which measure or assist
38 in the measurement of water use under subdivision (c).

1 (g) Nothing in this section shall affect any local ordinances with
2 stricter provisions than those set forth in this section if that
3 ordinance was adopted prior to January 1, 2014.

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